Weekly Compilation of

Presidential Documents

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WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Week Ending Friday, February 20, 2004

Notice—Notice of Intention To Enter Into a Free Trade Agreement With Australia

February 13, 2004

Consistent with section 2105(a)(1)(A) of the Trade Act of 2002, I have notified the Congress of my intention to enter into a free trade agreement with the Government of Australia.

Consistent with section 2105(a)(1)(A) of that Act, this notice shall be published in the *Federal Register*.

George W. Bush

The White House,
February 13, 2004.

[Filed with the Office of the Federal Register, 11:55 a.m., February 17, 2004]

NOTE: This notice was published in the *Federal Register* on February 18. This item was not received in time for publication in the appropriate issue.

Letter to Congressional Leaders Transmitting a Notice of Intention To Enter Into a Free Trade Agreement With Australia

February 13, 2004

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with section 2105(a)(1)(A) of the Trade Act of 2002 (the "Trade Act"), I am pleased to notify the Congress of my intent to enter into a free trade agreement (FTA) with the Government of Australia.

This agreement will create new opportunities for America's workers, farmers, businesses, and consumers by eliminating barriers in trade with Australia. Australia is already a major trade and investment partner of the United States, as well as one of the strongest and most dependable friends this country has ever had. This agreement will provide opportunities to further deepen this important relationship, for the mutual benefit of our two nations.

Consistent with the Trade Act, I am sending this notification at least 90 days in advance of signing the United States-Australia FTA. My Administration looks forward to working with the Congress in developing appropriate legislation to approve and implement this free trade agreement.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

February 14, 2004

Good morning. On September the 11th, 2001, America and the world saw the great harm that terrorists could inflict upon our country, armed with box cutters, mace, and 19 airline tickets.

Those attacks also raised the prospect of even worse dangers, of terrorists armed with chemical, biological, radiological, and nuclear weapons. The possibility of secret and sudden attack with weapons of mass destruction is the greatest threat before humanity today.

America is confronting this danger with open eyes and unbending purpose. America faces the possibility of catastrophic attack from ballistic missiles armed with weapons of mass destruction, so we are developing and deploying missile defenses to guard our people. The best intelligence is necessary to win the war on terror and to stop proliferation, so we are improving and adapting our intelligence capabilities for new and emerging threats. We are using every means of diplomacy to confront the regimes that develop deadly weapons. We are cooperating with

more than a dozen nations under the Proliferation Security Initiative to interdict lethal materials transported by land, sea, or air. And we have shown our willingness to use force when force is required. No one can now doubt the determination of America to oppose and to end these threats to our security.

We are aggressively pursuing another dangerous source of proliferation, black-market operatives who sell equipment and expertise related to weapons of mass destruction. The world recently learned of the network led by A.Q. Khan, the former head of Pakistan's nuclear weapons program. Khan and his associates sold nuclear technology and know-how to rogue regimes around the world, such as Iran and North Korea. Thanks to the tireless work of intelligence officers from the United States and the United Kingdom and other nations, the Khan network is being dismantled.

This week, I proposed a series of new, ambitious steps to build on our recent success against proliferation. We must expand the international cooperation of law enforcement organizations to act against proliferation networks, to shut down their labs, to seize their materials, to freeze their assets, and to bring their members to justice.

We must strengthen laws and international controls that fight proliferation. Last fall at the United Nations, I proposed a new Security Council resolution requiring all states to criminalize proliferation, enact strict export controls, and secure all sensitive materials within their borders. I urge the Council to pass these measures quickly.

The Nuclear Non-Proliferation Treaty, one of the most important tools for preventing the spread of nuclear weapons, is undermined by a loophole that allows countries to seek nuclear weapons under the cover of civilian nuclear power programs. I propose that the world's leading nuclear exporters close that loophole. The Nuclear Suppliers Group should refuse to sell enrichment and reprocessing equipment and technologies to any state that does not already possess full scale, functioning enrichment and reprocessing plants.

For international rules and laws to be effective, they must be enforced. We must ensure that the International Atomic Energy Agency is fully capable of exposing and reporting banned nuclear activity. Every nation should sign what is called the Additional Protocol, which would allow the IAEA to make broader inspections of nuclear sites. We should also establish a special IAEA committee to focus on safeguards and verification. And no nation under investigation for proliferation violations should be able to serve on this committee or on the governing board of the IAEA. Governments breaking the rules should not be trusted with enforcing the rules.

Terrorists and terrorist states are in a race for weapons of mass murder, a race they must lose. They are resourceful. We must be more resourceful. They are determined. We must be more determined. We will never lose focus or resolve. We will be unrelenting in the defense of free nations and rise to the hard demands of our dangerous time.

Thank you for listening.

NOTE: The address was recorded at 10:55 a.m. on February 13 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on February 14. The transcript was made available by the Office of the Press Secretary on February 13 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks in a Discussion on the National Economy in Tampa, Florida

February 16, 2004

Ms. Connie Horner. Welcome, President Bush and the First Lady. It is a tremendous honor for all of us to be here with you on President's Day.

The President. Thank you.

Ms. Horner. We're all wondering how you enjoyed the race yesterday?

The President. A lot. [*Laughter*] I had the honor of calling Dale Earnhardt, Jr., after the race, to congratulate him. I said, "There's nothing wrong with a fellow following in his father's footsteps." [*Laughter*] We had a great time, really a good time.

And it's such an honor to be here in Tampa. It's a beautiful part of our country. Thanks for having me.

[*At this point, Connie Horner, president, NuAir Manufacturing, made brief remarks.*]

The President. You're probably wondering why we're here. It's because we're going to herald the entrepreneurial spirit of America and talk about small-business ownership and job creation. And we're going to talk to some people who are working hard to do their duty as a parent, what it means to try to make a living in this environment.

Our country has been through a lot recently. We really have, I know. I want to remind people that—during the course of this conversation—there's nothing we can't overcome as a nation, because of the people.

So we're going to—we'll have a discussion here about the economy. But before we do, obviously you saw that Laura is here, and I'm really, really pleased she's traveling with me.

I want to thank the Horners for having us here. Mr. Horner, thank you very much for your hospitality, and Ms. Horner.

I also want to thank members of the congressional delegation who have come to say hello and to listen. I appreciate their friendship. Congressman Mike Bilirakis, Congressman Adam Putnam—good to see Adam—Ginny Brown-Waite, Congresswoman Waite, good to see you. Congresswoman Katherine Harris is with us. Thank you all. I appreciate you all being here.

I know the Lieutenant Governor is here, Toni Jennings. By the way, you might tell the Governor I was looking for him. [*Laughter*] He's——

Audience member. He's working.

The President. Yes, I know he's working. He's in Costa Rica. [*Laughter*] He is—I'm really proud of that man. He is a fabulous brother and a great Governor. Give him my best. The attorney general is with us. General, good to see you, Charlie Crist.

I know we've got some mayors here, the mayor of St. Pete, the mayor of Seminole, and the mayor of Clearwater. Thank you all for coming. I'm honored you're here. My only advice is, fill the potholes—[*laughter*]—a lot of citizens and local officials.

Last night when I arrived from Daytona Beach, I met a fellow named Candy Corona. I don't know if Candy is here. He thought he might be able to get here. There he is. Candy, good to see you. Thank you for coming. So you're wondering why I would introduce Candy. I'll tell you why, because the strength of this country is not our military, even though we will keep it strong. The strength of this country isn't the fact that we've got wealth—and the good news is we're generating more for our people. The strength of this country is the fact we've got people who are willing to volunteer to serve a neighbor in need. That's the strength. The strength of the country is the hearts and souls of our fellow citizens. That's the true strength of America.

Candy is a volunteer. He takes time out of his life to paint houses for senior citizens. That means a lot to the senior citizen who he is helping. You see, ours is a country where citizens—not because of government, by the way—decide to help somebody in need, and they change America one heart and one soul at a time.

And the reason Candy is here—I've asked him to come—is so we can herald that great aspect of the country. People want to serve our Nation. You can do so in a lot of ways. You can mentor a child. You can feed the hungry. You can help the housing of those who can't help themselves. There are all kinds of ways you can serve America, by loving your neighbor just like you would like to be loved yourself. Candy, thank you for the example you set, and we're proud you're here. Thank you.

We have a lot of reasons to be optimistic in America. I want to remind you what this country has been through right quick. First of all, in the year 2000, the economy began to slow down, and a recession came our way in early 2001. Now, when you have a recession, it means the economy is going backwards and people can't find work. You might remember the times of uncertainty during a recession—you know, you're wondering whether or not there's another window to make, or you're wondering whether or not there's another product to sell. And when you're having trouble selling product, the labor market becomes soft and negative. People can't do their jobs, which is to put food on the table for their families. And so the recession really affected us.

And we started to come out of the recession, and then the enemy hit us. And that hurt. It hurt a lot. It hurt our economy, of course, but it also hurt our national psychology, because we thought oceans could protect us from harm. It caused me to look at the world in different ways. It meant I couldn't look at a threat and hope it would go away and, when I saw a threat, that we couldn't take the good will of madmen and dictators, that my most solemn duty is to protect the American people. So when we saw gathering threats, we had to deal with them. That's what September the 11th said. And we did deal with them. And the world is safer, and America is more secure as a result of dealing with threats.

And then it turned out some of our citizens forgot to tell the truth. Corporate CEOs didn't tell the truth to their shareholders and their investors, and that affected the psychology of the country. We had a recession, and then we were attacked by a hateful enemy. And then some of our own citizens let us down, didn't they? And people began to wonder about the capitalist system; how could they trust the word of corporate America if CEOs weren't willing to tell the truth.

We passed laws, by the way, to hold them to account. And if you notice, slowly but surely, justice is being delivered. I mean, the message is clear: If you lie, cheat, or steal, there will be a consequence here in America.

Then, as I mentioned, I made the tough decision to go to war. Laura reminded me that early in the summer of 2002 on our TV screens it started to say, "March to War," a prediction of war. It's not a good environment to invest capital when you see on your TV screens "March to War." It's hard to be optimistic about the future when you think you're marching to war. Now we're marching to peace. Now the world is more peaceful.

But we've overcome a lot, when you think about what this country has been through. Those were a lot of obstacles and hurdles for this Nation to handle. And yet, our economy is strong. I will argue vociferously that one of the reasons it's strong is because the Congress wisely heeded my call and let people keep more of their own money. You see, when people have more money in their pocket, they're more likely to demand a good or a service. And in our economy, when somebody demands an additional good or a service, somebody is likely to produce it. And when somebody produces a good or a service, somebody is more likely to find work.

The tax relief was a vital part of this economic recovery. I say "recovery," the facts bear me out. The last 6 months of growth have been tremendous. Housing starts are way up. Inflation is low. Interest is low. New jobs are being created. Reports for manufacturing activity is up. Things are looking better for America.

We increased the child credit to help people raise their families, and we'll talk about that here in a little bit. We reduced the effects of what they call a marriage penalty. I can't imagine a Tax Code that penalizes marriage. It seems like we want a society that encourages marriage, not penalizes marriage.

We helped our senior citizens with relief on dividends and capital gains. But one of the vital aspects of the tax relief plan was the help it provided to small business. You see, most small businesses pay tax at the individual income tax level. A lot of Americans don't understand that, but it's true. A lot of small businesses are sole proprietorships. When you're a sole proprietorship, it means you pay tax at the individual income tax level. A lot of small business are what they call Subchapter S corporations, which means that they pay tax at the individual income tax level.

So I went to Congress and said, "Let's reduce all taxes on people who pay tax." I mean, if you pay tax, you ought to get tax relief. We ought not to try to pick and choose who the winners and losers are when it comes to tax relief. Part of that is just out of simple fairness, and part of it is because I understand the importance of small businesses. See, if you're worried about people working and you realize most new jobs are created by small businesses, it makes sense to have policies that encourage small businesses to grow.

So the tax relief plan you hear some people maligning around our country helps small-business growth. It put money in the coffers of small businesses. It helped invigorate the entrepreneurial spirit here in America, which is important. Plus we had additional tax relief

to encourage investment, and you'll hear some talk about that today. No, the tax relief came at the right time. It is making an enormous difference.

And now what the United States Congress must do is to make the tax relief permanent. The tax relief is set to expire. It was good policy, but it's going to expire. The child credit goes down next year, unless Congress acts. The penalty on marriage goes up, unless Congress acts. A family of four—a married couple with two children making $40,000 a year will see a $915 tax increase, unless Congress acts. You hear people in Washington saying, "Oh, let's not make the tax cuts permanent." When you hear somebody say that, they're saying, "We're going to tax you. We're going to raise your taxes." You'll hear some discussion about what that means for a family when their taxes go up, but from an economic perspective, I'm telling you, now is not the time to raise the taxes on the American people.

There's some other things we need to do here in this country. We need to make sure that other people open their markets to U.S. products. Our markets are open to other countries. Let's open theirs. We're good at things. Just give our people a chance to sell them overseas, and we'll compete.

We've got to make sure we've got energy here in this country. We need to make sure we've got reliable electricity. Congress needs to get me an energy bill this year. We need to make sure that—these small-business owners will tell you, too much paperwork can stifle innovation and the entrepreneurial spirit. The Federal Government, the State Government, Lieutenant Governor, and the local governments must do everything they can to make the paperwork burden less on small businesses, not more. We need less regulation when it comes to overburdening the people who are creating jobs here in America.

Health costs are a real problem here in this country. They're on the rise. I put forth some plans to help deal with the rising cost of health care, such as health savings accounts. These are innovative new approaches. I urge people to contact your health care providers to understand the power of health savings accounts. We've got association health plans, a plan that stalled in Congress, that allows small business to pool risk. You see, small businesses can't associate now in order to buy insurance like big businesses can, and small businesses ought to be allowed to try to contain costs by pooling risk.

But I tell you one thing we need to do in this country in order to control the cost of rising medical care, we need to get rid of the junk and frivolous lawsuits that are driving good doctors out of business. There's some powerful interests in Washington that don't want to see this happen. But if you talk to small-business owners all across the country, they will tell you, rising health care cost is a problem. And if you talk to doctors and medical care providers, they'll tell you frivolous lawsuits are driving them out of business. If you talk to people about defensive medicine, they'll tell you frivolous lawsuits are driving up the cost to taxpayers.

It's estimated that the Federal Government spends over $20 billion a year because of the practice of defensive medicine because of frivolous and junk lawsuits. We need to do something about it. The House passed a good bill, but the special interests have got it bottled up in the United States Senate. These Senators, like the two from your State, have got to understand that medical liability reform is good for job creation. It's good for small businesses, and it's good for America, and we need it now.

Anyway, you can understand why I'm optimistic about this country. I've seen what we have overcome. But I'm really optimistic because the thing that really makes America work are the people in this country, the spirit of the American people, the incredible workers we have in this country. Our Nation has got the best workers in the world by far, right here.

And the other thing about America is the great entrepreneurial spirit. It is strong. It is alive. It is well. It is one of the great success stories of our country, in which somebody can come with a good idea and dream big and start their own business. That's what I love about the country. One of the vital roles of Government is to create an environment in which the entrepreneurial spirit flourishes. That's one of the most important roles of

Government. I believe this administration is doing so. I believe we set the stage for further growth of small businesses, so people can own something. We want people owning something in America. We want you owning your own home. We want you owning and managing your own retirement accounts and health care plans, and if you're so inclined, we want you owning and running your own small business.

Connie Horner has the great opportunity here in America to run her own business. She's a CEO of a thriving, vibrant business. And if you've got a business inclination, there's nothing more exciting than running your own small business. And I can just tell she feels that way when I first met her. She's enthusiastic. One of the things she told me right off the bat is, "We're successful because we've got a great workforce here, people who care about what they're doing." So Connie, thank you for having me. Why don't you share with the people your story, tell them about your plans this year. If you're thinking about adding a job, you might mention that. If you're not, that's okay; you can mention that too. [*Laughter*]

[*Ms. Horner made further remarks.*]

The President. There's a couple of things she said. She said the Tax Code encouraged her to make an investment. Well, when she invests in a piece of equipment, somebody has to manufacture the equipment. In other words, the Tax Code caused this company to make a decision, an economic decision. In other words, demand increased for a product in this case. Somebody has to make that. There's a ripple effect. Good tax policy creates a ripple effect throughout the economy. So not only does the increased equipment help this company, particularly help the workers become more productive—and by the way, productivity increases for American workers means better pay. That's what that means. It means our workers become the best in the world, which will yield better pay.

Part of the decisionmaking was because we allowed for the expense of certain capital expenditures. And we allowed for accelerated depreciation. It's important for small businesses to have consistent tax laws. In other words, you don't want planners and thinkers to be saying, "Gosh, the tax law may or may not be the same next year." That creates confusion in the decisionmaking process. We need constancy here, and so I appreciate you bringing that up. I also want you to know, she said, "We may add 40 workers this year." That's really good news for two groups of people. One, the workers here, it means that there's reliable jobs. She wouldn't be adding 40 workers if people's jobs weren't secure who already have them here. But the other good news is for the 40 that could find work here.

But plus, there are thousands of entrepreneurs in America, all over the country, making the same kind of decisions—40 workers here, 5 workers there begin to add up to excitement and new jobs. And that's what we're interested in, and that's what we're talking about, how to create an environment where people are willing to take risk so that somebody can find work.

[*Ms. Horner made further remarks, concluding as follows.*]

Ms. Horner. And we are just incredibly optimistic about our future, and we have you to thank for that.

The President. Actually, you've got yourself to thank for it, see? You've got yourself to thank for it. People—all governments can do is create an environment. It's up to our fellow citizens to seize the opportunity. We can't make you be bold. We can't make you be smart. We can't make you make the right decisions. That's up to you. I mean, the truth of the matter is, this economy is good because of the people in America. But thank you for the credit. Of course, I'll take it any time you give it. [*Laughter*]

Again, I want the people who might be listening in to see the connection between investment and jobs. Connie says that, "We're going to invest a million dollars this year." Investment means purchasing, in this case, equipment. And somebody has got to make the equipment. So when you hear policies that encourage investment, I hope you make the connection between the word "investment" and the creation of jobs. And that's why so much talk with the economists are about—are people investing, because that investment cycle will lead to the increase of

employment. So when you hear Connie say, "We're thinking about investing a million dollars," that's positive news for somebody who is wondering whether or not they can find a job.

Now, speaking about investing—good job, by the way. Sam Leto is with us. Sam is the chairman of Tampa Brass & Aluminum Corporation. He's about to tell you what that company does. I'm about to tell you, however, that Sam's company is organized as a Subchapter S corporation, which means that when you reduce taxes on the individual taxpayer, you're really reducing taxes on his business. And one of the fundamental questions that you must ask during an economic slowdown is, "Who do you want spending the people's money?" I obviously made the decision that I think it's best that the small-business owners spend money on their employees and on making sure their companies are modern and in good shape. I'd rather—in an economic recession, I'd rather that, in order to get out of this recession, that the people be spending their money, not the Government trying to figure out how to spend the people's money.

And so Sam is a person who—Sam has got him a small business. Sam, tell us about it.

[*Sam Leto, chairman of the board, Tampa Brass & Aluminum Corp., made brief remarks.*]

The President. Yes, one thing—I'm going to interrupt you for a quick second, Sam—another piece of bad legislation that I think we corrected, at least corrected temporarily—it's going to come back unless Congress acts—is to get rid of the death tax. Let me tell you what the death tax does.

Here's a fellow who has worked hard to build his business up, and he has made the decision to, obviously, to leave it to your family, unless, of course, they misbehave, in which case he may change his mind. [*Laughter*] The Government is now taxing his company's earnings. When he goes on and leaves his business to his sons and daughter, they'll tax it again. That doesn't make any sense, does it, to get taxed twice. It's not good for farmers to have the death tax. It's not good for the ranchers of America. It's not good for the small-business owners. Congress got rid of the death tax, except it comes back to life in 2011. We need to get rid of it forever for the sake of entrepreneurs.

[*Mr. Leto made further remarks, concluding as follows.*]

Mr. Leto. Mr. President, we have to keep this tax cut.

The President. Thank you, sir. I agree. Good job, Sam. Sam's feeling pretty upbeat about life, it sounds like to me. That's good. You see, a lot of the—a lot of economic growth depends upon the psychology of the people making decisions all throughout our economy, whether it be the consumers wanting to buy more or whether it be employers willing to invest more. And so far the entrepreneurs have been upbeat. And it's—but you're going to say, "Well, of course, they just pick the upbeat people." Well, the truth of the matter is, people are pretty upbeat all over the country. That's what I'm here to report to you. There's an optimism in our country that is undeniable. And we've got growth. And the key question is are we wise enough to continue the policies but to keep the policies in place that encourage growth.

We've got with us Kevin Govin. He's the COO of MarkMaster, Inc. Tell us what MarkMaster, Inc., does.

[*Kevin Govin, chief operating officer, MarkMaster, Inc., made brief remarks.*]

The President. Kevin, thanks. I want to pick up on two things he said. Both of them have to do with education. He said his son goes to a community college. It's essential that State Governments take advantage of the community college system here to make sure people are trained for the jobs which will exist as we head into the 21st century.

Technology races through our economies, as you know. Oftentimes the labor market is lagging behind in the change necessary to make sure the workers have got the skills necessary. I strongly believe the community college system is a place to make sure workers gain the skills necessary to be able to hold the jobs of the future. I think it's very—I appreciate you mentioning community college systems. There's a lot of fantastic community college systems here in Florida and around the country. I've asked Congress to

put money forth for grantmaking to community colleges so we can train people.

We've got a lot of good people. But as the economy changes, as these new machines come into be, people need to learn how to use them. As the health care industry changes, people need to be able to know what it means to be a nurse in the modern era. And so we've got to train people and train them well.

I also know that one of the great things about our country and having a vibrant small-business sector is that oftentimes some of the best and hopeful programs are instigated by CEOs, programs to help workers embetter themselves, education programs, training programs. People have got to understand here in this country that there are a lot of people who look to America and say, "Gosh, I want to be able to provide for my family here."

And therefore we need a work system that is—promotes legal activity, not illegal activity. A work system that says if you can't—if an employer can't find an American worker, and yet there's somebody else willing to do the job, there ought to be a card, a worker card—not a citizenship card but a card to allow people to work, so that we can recognize what is taking place illegally here, an underground economy. That's not the American way. The American way is rule of law. The American way is understanding people come here to put food on the table for their children. And again, I repeat to you, I don't believe we ought to be promoting blanket amnesty for people who are working here, but I do believe we ought to have an orderly system that allows people to legally apply to work when they can't find an American worker. This will help our homeland security issues, and it will make sure employers can find willing workers, which is an important part of making sure this economy continues to grow.

Speaking about willing workers, I'm sitting next to one, Noemi Gonzalez. She is an accounting clerk here at NuAir Manufacturing. She is excited to be here.

Ms. Gonzalez. Yes, I am.

The President. Would you tell us your story? We spent time talking about small-business growth, the entrepreneurial spirit. But every small-business owner will tell you, their businesses cannot survive without really good workers, good, hard-working, decent, honorable Americans. We've got two here with us today. A representative sample, I might add. Noemi.

Ms. Gonzalez. Okay, I don't have—I have a big business, my family.

The President. *Si.*

Ms. Gonzalez. And my three children.

The President. *Adonde? Ahi.*

Ms. Gonzalez. And my granddaughter. That's my big business.

The President. That is your most important job, by the way. Accounting is important, but not nearly as important as being a mother.

Ms. Gonzalez. And a grandmother.

The President. And a grandmother. Well, you don't look old enough to be a grandmother. [*Laughter*]

Ms. Gonzalez. I'm really glad to work here at NuAir, thanks to Connie. I've been her employee for 2 years, and I'm really glad of the tax relief, because now I can think ahead, to send my daughter to college.

The President. Yes, she got $2,400 in tax relief last year.

Ms. Gonzalez. And I know there's a lot of people like me; they're glad to receive the tax relief.

The President. You know, that may not sound a lot to some people in Washington, $2,400. They throw a lot of numbers around in Washington. That's a lot to her. That's a lot of money to a lot of people. When you got people who are working hard to maintain their family—she's looking after her granddaughter as well—$2,400 is a lot. It's a lot of money. It's a lot of security. It's a lot of hope, and this Congress must understand that. They understand 2,400. And if we don't make the tax relief permanent, she pays an additional $1,200 next year. And that's not right. And that's not right. And she said—I'm putting words in your mouth. What are you going to do with money? You said you're going to save? [*Laughter*]

Ms. Gonzalez. Well, we're planning a vacation to go to Texas.

The President. That's good. Yes. [*Laughter*]

Ms. Gonzalez. Family vacation. Texas.

The President. Yes. *Que inteligente.*

Ms. Gonzalez. *Viva la gente.* We're planning a family vacation with my family. We're going to see my nephew. He's coming from Iraq. He has been there for a year.

The President. Oh, fantastic. Where are you going? *Adonde?*

Ms. Gonzalez. San Antonio.

The President. San Antonio?

Ms. Gonzalez. San Antonio, Texas.

The President. You tell your nephew, "On behalf of a grateful Commander in Chief and a grateful country, thank you for your service."

Ms. Gonzalez. Thank you. He's so glad to do it. He's so happy to do it, and we're a really proud family. Thank you very much. Thank you.

The President. Okay, Noemi, thanks. What a fantastic American story, isn't it? You know, the nephew serving for a cause greater than himself, Noemi working hard to support her family. The word you heard was, "I'm going to take some of the tax relief and save it for my child's education." The best education programs start at home. A child's first teacher is a mom or a dad. A mom or dad must understand that education is the gateway to success in this country. We've got to make sure our public schools, by the way, function well. But we've also got to make sure—but personal responsibility, being responsible for your families, also an important part of making sure people get educated here. Good job.

I was looking for you yesterday on the racetrack, Steve. I was—I heard I was coming here to meet you. And I said—well, they said, "He's a race car driver." So I was looking—[*laughter*]—but I didn't see you.

Mr. Martin. Thank you, Mr. President.

The President. The fact that you're willing to get in there and race those kind of cars on those steep banks says a lot about you, though—positive, I might add. [*Laughter*] But thank you. Tell us about yourself. Thanks for being here today.

[*Steve Martin, installation manager, NuAir Manufacturing, made brief remarks.*]

The President. I appreciate it. Thank you. I just want to remind everybody that tax—the child credit is going down next year. And if you listen to some of them talking out of Washington these days, that's fine with them. They're going to repeal—when you hear them say, "Repeal the Bush tax cuts," don't be thinking about Bush. Be thinking about people like Steve and Noemi. That's what you need to be thinking about when you hear that talk. Because when the child credit goes down, it means everybody who has got a child, in essence, pays increased taxes. That doesn't seem to be good policy to me. You've heard the effects of what tax relief means to individual Americans. It means they've got more money to make decisions, whether it's to save or go on a vacation to Texas or to have a quality of life issue at home. These are important issues. These are issues made by individual Americans, with their own money, by the way.

And that's what the tax relief says to me. It says that we've got a proper perspective on who ought to be making decisions with your money. Listen, we've got money in Government. You don't have to worry about that. But the fact that there's more money in your pockets have made this economy strong, and that's where we need to keep it. And it's a fundamental debate going on in this country. It's pretty clear where I stand. I stand squarely with the people in this debate. I want them to have more of their own money.

I hope you've enjoyed this conversation as much as I have. It's a—it is a way for six people to have a conversation about the economy and in an unusual way, isn't it? [*Laughter*] Yes, well—but there has been some pretty interesting points that have come out of it. One, there's a sense of optimism, at least amongst the employers who are here. The tax relief has made a difference in small-business people's lives. You've heard plans for 5, 6 employees or 60 employees or 20 employees, whatever it may be.

But this is happening all over the country. Small businesses are alive and well. Good policy recognizes that most new jobs in America are created by small-business owners. And therefore, tax policy and fiscal policy and public policy all ought to be aimed at strengthening the small-business sector of America. And then, of course, there's the individual stories about hard-working, decent Americans worried about their families, and

what they do with the more money in their pocket.

And that's what tax relief is all about, and it's important for people in Washington, DC, to hear the voices of the people, to hear what people are saying about this economy. No, I'm optimistic for this country. I've seen what we've been through, and I know the character of the people of this country. There's nothing that we can't overcome in America.

I want to thank you all for coming. May God bless you, and God bless this country.

NOTE: The discussion began at 9:03 a.m. at NuAir Manufacturing. In his remarks, he referred to NASCAR driver Dale Earnhardt, Jr.; Gov. Jeb Bush, Lt. Gov. Toni Jennings, and State Attorney General Charlie Crist of Florida; Mayor Richard M. Baker of St. Petersburg, FL; Mayor Dottie K. Reeder of Seminole, FL; and Mayor Brian Aungst, Sr., of Clearwater, FL.

Remarks to Military Personnel at Fort Polk, Louisiana

February 17, 2004

Thank you all. What a week, first NASCAR and today Fort Polk, Louisiana. Thank you for the warm welcome. It is an honor to be here with the soldiers and families of Fort Polk. This post is home to some of the Army's oldest and finest units. All of you are living up to the motto of our 2d Armored Calvary Regiment, "Always ready."

The 2d Calvary is now deployed in Iraq. So is the mighty Warrior Brigade from Fort Polk. This post has long been vital to the defense of America, and today, the men and women of Fort Polk are serving with skill and bravery in the war on terror. Since our Nation was attacked on September the 11th, 2001, this post has trained and deployed more than 10,000 troops to fight the terrorist enemy. The JRTC Operations Group is providing superb training for America's soldiers. And with people like you in the fight against terror, there is no doubt that the enemy will be defeated and freedom will prevail.

In the war, America depends on our military to meet the dangers abroad and to keep our country safe. The American people appreciate this sacrifice, and our Government owes you more than gratitude. We must always make sure that America's soldiers are well-equipped and well-trained to fight this war on terror.

Every person in uniform also depends on the faithful support of their family. Military families have faced many hardships in this time of testing, and you have faced them together. Every military installation is a strong and caring community. You look out for each other. You accept the sacrifices of service to America. And I want you to know, our whole Nation is grateful to our military families.

I appreciate General Kamiya for his introduction. When I was walking here from Marine One, somebody told me he just got promoted. Congratulations, General. Les Brownlee, the Acting Secretary of the Army, is with us. General Pete Schoomaker, who is the Army Chief of Staff, is with us today. General, thank you for coming. General Ellis, I appreciate you being here. Colonel Woolfrey, Command Sergeant Major Christian; Command Sergeant Major Savusa is with us, as well. I'm honored that you men are here.

Today I had the privilege of traveling with Senator Mary Landrieu from the State of Louisiana, Congressman David Vitter, and Congressman Rodney Alexander. I want to thank all the State and local officials who are with us today. I appreciate so very much Kevin Sharp and John Berry for taking time out to provide the entertainment for the troops and families today.

I just met Margie Nobles. Margie volunteered more than 1,400 hours helping families of soldiers during their transition to Fort Polk and during times of deployment. People often talk about the strength of America being our military, and it is strong, and I intend to keep it that way. But the real strength of the country lies in the hearts and souls of our citizens, people like Margie who are willing to help somebody who hurts, people who are willing to take time out of their busy lives to love a neighbor just like you'd like to be loved yourself. For those of you who are soldiers in the army of compassion, I want to thank you for your service to your community and to your country.

The Fort Polk community is also home to thousands of veterans and retired military. Our veterans defended our Nation and

served the cause of freedom in the great struggles of the 20th century. Many veterans from the area are with us today, and we honor your faithful service to America.

Our service men and women today follow in a great tradition of achievement and courage. You're living up to that tradition in hard missions and decisive victories. This generation of our military has been called to duty to fight and to win the first war of the 21st century.

The struggle began on a September morning, when terrorists murdered thousands of our fellow citizens. We saw the violence and grief that terrorists can inflict. We had a glimpse of a far worse harm that the terrorists intend for us. And on behalf of this Nation, I made a pledge: Whether we bring our enemies to justice or bring justice to our enemies, justice will be done.

Life in America in many ways has returned to normal, and that's a good thing. And I want every American to know that I understand my job as your President. I have a duty to protect the American people, and my resolve is the same today as it was on the morning of September the 12th, 2001. My resolve is the same as it was on the day when I walked in the rubble of the Twin Towers. I will not relent until this threat to America is removed, and neither will you.

In the past 29 months, many terrorists have learned the meaning of justice. Nearly two-thirds of Al Qaida's known leaders have been captured or otherwise dealt with. The terrorists are on the run, with good reason to fear what the night might bring. Thousands of very skilled and determined military personnel are on an international manhunt, going after the remaining killers who hide in caves and in cities. When they attacked our country, the terrorists chose their own fate, and they are meeting that fate, one by one.

Success in the war on terror also requires that we confront regimes that might arm terrorists with the ultimate weapon. There's no greater danger before this Nation and humanity than the possibility of secret and sudden attack with a nuclear or chemical or biological weapon. We must confront this danger with open eyes and unbending purpose. I've made clear the policy of this country: America will not permit terrorists and dangerous regimes to threaten us with the world's most deadly weapons.

With good allies at our side, we have shown this resolve in decisive action to liberate two nations once ruled by terror regimes. The first to see our determination were the Taliban, who made Afghanistan the primary base of Al Qaida. That was where the training camps operated. That is where the attacks of September the 11th were conceived. And that's where we first took the fight to the enemy.

Two years after we liberated Afghanistan, our troops continue to face danger. Our coalition is leading aggressive raids to rout out surviving members of the Taliban and Al Qaida. The new Afghan army is adding to the stability of that country. Afghanistan still has challenges, but that nation is a world away from the nightmare of the Taliban.

As of last month, Afghanistan has a new constitution, guaranteeing free elections and full participation by women. Businesses are opening, health care centers are being established, and the children of Afghanistan are back in school—boys and girls. The people of Afghanistan are building a nation that is free, that is proud, and that is fighting terror. And America is honored to be their friend.

The former regime in Iraq also witnessed America's resolve to confront dangers before they fully materialize. My administration looked at the intelligence information, and we saw a danger. Members of Congress looked at the same intelligence, and they saw a danger. The United Nations Security Council looked at the intelligence, and it saw a danger. We reached a reasonable conclusion that Saddam Hussein was a danger. We remembered his history. He waged aggressive wars against neighboring countries and aspired to dominate the Middle East. He cultivated ties to terrorists. He built weapons of mass destruction. He used weapons of mass destruction against his own people. He hid those weapons.

In 1998, the President and the Congress made it the policy of the United States to change the regime in Iraq. In September of 2001, America made a decision: We will not live in the shadow of gathering threats. In 2003, after 12 years of deception by Saddam

Hussein, he was given one final chance. The U.N. Security Council demanded a full accounting of his weapons programs or face serious consequences. Saddam Hussein chose defiance. And we had a choice of our own: Either take the word of a madman, or take action to defend America and the world. Faced with that choice, I will defend America every time.

Having broken the Ba'athist regime in Iraq, we face a remnant of violent Saddam supporters. Men who ran away from our troops in battle are now dispersed and attack from the shadows. These killers are joined by foreign terrorists. Recently in Iraq, we intercepted a letter sent by a terrorist named Zarqawi, a man well-known to our intelligence services. Zarqawi operated in and out of Saddam Hussein's Iraq. He ordered the murder of an American diplomat in Jordan. He fought against our troops in Afghanistan. And now, in a letter we intercepted, Zarqawi is urging Al Qaida members to wage terrorist war on our coalition in Iraq.

In the document, Zarqawi describes the terrorists' strategy. He lays it all out: To tear the country apart with ethnic violence; to undermine Iraqi security forces; to demoralize our coalition; to prevent the rise of a sovereign democratic government. This terrorist outlines his efforts to recruit and train suicide bombers. He boasts of 25 attacks on innocent Iraqis and coalition personnel.

Zarqawi and men like him have made Iraq the central front in our war on terror. The terrorists know that the emergence of a free Iraq will be a major blow against the worldwide terrorist movement. And in this, they are correct. But we've seen this enemy before, and we know how to deal with them. Fighting alongside the people of Afghanistan, we are defeating the terrorists in that country. And fighting alongside the people of Iraq, we will defeat the terrorists there as well. Iraq, like Afghanistan, will be free.

We're making good progress against these enemies, by staying on the offensive, with hundreds of patrols and swift and precision raids every single day. Thanks to our military, thanks to our brave soldiers, Iraq's citizens do not have to fear the dictator's secret police or ending up in a mass grave. The torture chambers are closed. Of the top 55 officials of the former regime, we have captured or killed 46. And as for the once all-powerful ruler of Iraq, we found him hiding in a hole.

At the same time, we're helping Iraqis make daily progress toward democracy. A year ago, Iraq's only law was the whim of one brutal man. Today, our coalition is working with the Iraqi Governing Council to draft a basic law with a bill of rights. But we're now working with Iraqis and the United Nations to prepare for a transition to full Iraqi sovereignty. As democracy takes hold in Iraq, the enemies of freedom will do all in their power to spread violence and fear. They're trying to shake the will of our country and our friends. But they don't understand America. They don't understand the nature of our troops. This country and our military will never be intimidated by a bunch of thugs and assassins.

It is the nature of terrorism that a few evil people can bring grief to many. Here in the Fort Polk community, you have sent brave men and women to confront this evil, and you have said farewell to some of your best. One of them was Private First Class Rey David Cuervo, who was killed in Baghdad. Private Cuervo was born in Mexico and is one of several noncitizens in the military who have given their lives in the defense of America. At my direction, each of them has been posthumously granted a title to which they have brought great honor: Citizen of the United States.

Last month, PFC Cuervo was laid to rest under a marker with these words: "All gave some, and some gave all." We do not take freedom for granted in America, and we do not take for granted the courage of those who face the danger and do the fighting. May God comfort the families of the lost. May He keep this Nation always grateful for their sacrifice.

All the men and women we have sent to Iraq and Afghanistan have given vital service in the war on terror. By liberating these countries, we and our coalition have delivered more than 50 million people from cruel oppression. We've removed sources of violence and instability from the greater Middle East. We've removed from power enemies of this country. We have made America more secure.

We face a clear choice in the greater Middle East: Either freedom will advance, or that region will continue to export violence to the world. The work of building democracies in nations that have endured decades of tyranny is hard. It's hard work. It will require the kind of sustained commitment that won the cold war. We accept that duty. We accept that duty in our time because our cause is right.

Even governments that did not join in the removal of Saddam's regime now understand that democracy in Iraq must succeed. And that work will succeed, because the appeal of freedom is universal. Freedom is not America's gift to the world. Freedom is the Almighty God's gift to every man and woman in this world.

The will of this country is strong. The will of our coalition is strong. And what we have begun, we will finish.

For all Americans, the last 3 years have brought tests we didn't ask for and for achievements shared by all. And by our actions, we have shown what kind of nation we are. We're a nation with a mission, and that mission comes from our most basic beliefs. We believe that freedom is the right of every single person in the world. By the unselfish dedication of Americans in uniform, people in our own country and in lands far away, people can live in freedom and know the peace that freedom brings.

America has been given great responsibilities, and they have come to the right country. We don't shirk from any challenge. We're rising to the call of history. Now and in the future, this great Republic will lead the cause of freedom and peace.

May God bless you all, and may God continue to bless our country. Thank you all.

NOTE: The President spoke at 12:37 p.m. at Fort Polk Army Airfield. In his remarks, he referred to Brig. Gen. Jason K. Kamiya, USA, commanding general, Col. Arthur "Wade" Woolfrey, Jr., USA, deputy commander, and Command Sgt. Maj. Iuniasolua T. Savusa, USA, Joint Readiness Training Center and Fort Polk; Gen. Larry R. Ellis, USA, commanding general, and Command Sgt. Maj. Carl E. Christian, USA, U.S. Army Forces Command; country music entertainers Kevin Sharp and John Berry; former President Saddam Hussein of Iraq; senior Al Qaida associate Abu Musab Al Zarqawi; and USAID officer Laurence Foley, who was killed in Amman, Jordan, on October 28, 2002. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Letter to Congressional Leaders Reporting a Certification Required by the Ratification Resolution of the Chemical Weapons Convention

February 17, 2004

Dear Mr. Speaker: (Dear Mr. Chairman:)

Consistent with the resolution of advice and consent to ratification of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, adopted by the United States Senate on April 24, 1997, and based on the recommendation of the Department of Commerce, I certify that for calendar year 2003:

> In connection with Condition 9, Protection of Advanced Biotechnology, the legitimate commercial activities and interests of chemical, biotechnology, and pharmaceutical firms in the United States were not harmed significantly by the limitations of the Convention on access to, and production of, those chemicals and toxins listed in Schedule 1 of the Annex on Chemicals.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard G. Lugar, chairman, Senate Committee on Foreign Relations.

Interview With Mouafac Harb of the Middle East Television Network

January 29, 2004

President's Religious Perspective

Mr. Harb. Mr. President, thank you very much for supporting our channel and our initiative. We will make sure on our channel, your policy, the point of view of your administration, will always be presented clearly and in fair context. However, we will make

sure—we want to be a model for the free press, the American tradition—other point of views, relevant ones, will always be there, even if they are critical of you.

The President. Well, I understand that. I hope so. First of all, I appreciate your willingness to allow the people in the Middle East to hear my views. My views are one that speaks to freedom. I believe the Almighty God's gift to every person in the world is freedom, and I work for free societies because I believe in people.

I want people to know that I respect religion. I'm a religious man, myself. I respect the religion of other people as well. I believe we pray to the same Almighty God. I want people to know that I believe in peace. I want there to be peace. I also want people to know that it's very important for us to work together to fight terror, to fight those who would be willing to kill innocent lives in order to foster their own personal agendas.

I appreciate that. I also don't mind people expressing opinions other than mine. I expect that to happen. It happens here in America, and I expect it to happen around the world.

Freedom and Democracy in the Middle East

Mr. Harb. You may be the only world leader today, and maybe the first American President, to pay a lot of attention to freedom and democracy in the Middle East. Why is that? Are you so committed to that?

The President. I am very committed to freedom and democracy in the Middle East. I believe people can self-govern around the world. Now, there are some, admittedly, say, "Well, they can't have freedom and democracy in the Middle East." But I think that point of view is condescending. I think it diminishes the hopes and aspirations of the citizenry of the Middle East. I absolutely believe in freedom and peace, and I look forward to working with governments to achieve freedom and peace.

Now, I recognize not every government is going to fashion a free society in the vision of America. I don't expect that, but I do expect every government to uphold the aspirations of the average citizens in a free society.

National Endowment for Democracy

Mr. Harb. You mentioned in the State of the Union Address that you would be doubling the budget for the National Endowment of Democracy towards the Middle East. What's your vision? How are you trying to accomplish that?

The President. Well, I think we need to work with governments and institutions and NGOs to encourage the institutions of a free society. See, one of the interesting things in the Oval Office—I love to bring people into the Oval Office, right around the corner from here, and say, "This is where I office, but I want you to know the office is always bigger than the person." In other words, free societies are societies where people come and go, but the institutions that protect the rights of people never leave. And that's what the institute is going to be working on, free press, just like we just talked about, free elections, free society.

Evolution of Democracy

Mr. Harb. You said you would be working with governments in the Middle East.

The President. Sure.

Mr. Harb. And you know the type of governments that now exist in the Middle East, and for how long the U.S. has been accused of playing ball with governments that people hate. When you say you want this strategy, forward strategy of freedom, are you saying you're going to be abandoning the monarchies and, you know, those guys?

The President. No, of course not. I know them well. First of all, many of the countries in the Middle East are modernizing. And that's what I look for. I fully understand it takes time for free societies, truly free societies to evolve. I don't expect instant success. After all, in my own country it took a while for our current system to evolve.

Take Saudi Arabia, for example. First of all, I respect Crown Prince Abdullah and like Crown Prince Abdullah. He's a man of great faith and great integrity who gave a speech the other day about the need to modernize and to reform Saudi society. I take him for his word. To me that was a positive development.

King Abdullah of Jordan, the King of Morocco, I mean, there's a series of places—

Qatar, Oman—I mean, places that are developing—Bahrain—they're all developing the habits of free societies. They evolve differently. But nevertheless, progress is being made. And for that, I'm very grateful.

Discussions With Middle Eastern Leaders

Mr. Harb. When you sit down with the leaders of the countries you just mentioned, Mr. President, do you get a sense of the urgency, when we talk about the issues of reform and democracy, from them?

The President. Well, I get a sense of two things from them. One, I do believe they understand the need to reform. But I also know they agree that we need to continue to work together to fight terror. And that's vital, because it's hard for a free society to develop with terrorists killing innocent people.

For example, I have a vision in the Middle East for there to be a Palestinian state. I'm the first President to have ever articulated a Palestinian state. I believe there needs to be a Palestinian state, and I'm not going to change my opinion. On the other hand, I know how hard it is to achieve a Palestinian state so long as there's groups of terrorists willing to murder in order to prevent that from happening.

And so I hear two things. I hear, one, the need to reform, to include more people in the process which is taking place, but also the clear understanding from leaders that we must continue to work together to fight off the terrorists. And I say this with conviction. There's a—the murderous ambitions of a few are trying to derail the hopes of many. And my Government wants to work with governments to prevent that from happening.

Roadmap for Peace/Reform of the Palestinian Authority

Mr. Harb. Has the roadmap failed? Do we need a new approach to revive the peace talks and work towards your vision?

The President. No, not at all, no. The roadmap is in place. What has failed is the—some parties are not advancing on the roadmap. They're stuck. And I stood up with Mr. Abu Mazen, at that time the Prime Minister of the Palestinian Authority, with Prime Minister Sharon, in Aqaba, Jordan—and King Abdullah, of course, our host—and we linked arms and said, "Let us move forward on the roadmap to peace." There needs to be a commitment to fight terror. There needs to be a commitment to put the institutions of a free society in place. There needs to be a commitment on the Israelis to worry about the plight of the average Palestinian citizen—to encourage a society to evolve that is commercially viable and free. There needs to be a commitment from the neighborhood to help fight off the flow of funds to fund the terrorist groups, that would stop.

And we were making progress. We really were, and then he got shoved aside. And so the roadmap is still intact. The vision for where we need to go is intact. What we need right now are parties who are willing to take a risk for peace and to lead. And I look forward to working with any such party.

Mr. Harb. Why then are some people in the U.S. or some of your friends and allies in the Middle East say that you're not personally doing enough? How would you respond to that?

The President. Well, I would remind them of the pictures of Aqaba, Jordan. I mean, it's—it is a rare occurrence when the President stands up with Israel, the Palestinian Authority, and says, "We're linked together to move toward peace." The problem was, was that somebody undermined that peace process by making it very difficult for Prime Minister Abu Mazen to work to achieve his vision. And that somebody was Chairman Arafat. I'm sorry that happened. On the other hand, I still believe that a Palestinian state is essential for the aspirations of the Palestinian people. And I fully understand there needs to be a firm commitment to fight off terror in order for that to happen.

Transition in Iraq

Mr. Harb. On the issue of Iraq, how do you see the transition of sovereignty to the Iraqis?

The President. Moving. I mean, if you really take a step back, we're here in February of 2004, and the Iraqi people weren't really liberated until April of 2003. We haven't been there a year. And yet, there's tremendous progress being made. The first thing I pay attention to—there are voices

speaking out about how to achieve democracy. Had those voices spoken out last year or the year before or the year before, they probably wouldn't be a voice anymore, given the fact that Saddam Hussein was willing to torture and kill dissidents.

And today, a free society is emerging. And it may look bumpy at times, but democracy sometimes looks bumpy. I mean, here in our own country I'm sure people take a step back and say, "What is happening in the election process?" I mean, it looks like there are some sharp elbows. But I am encouraged by what is taking place in Iraq. I appreciate so very much the fact that the Shi'as speak out for freedom. I appreciate the fact that the Sunnis are questioning whether or not they have a role in the future of their country. I appreciate the fact that the Kurds are active. I appreciate the fact that all three parties are trying to work for a common law that guarantees the religious rights of others, the minority rights of people in a free society.

So I think it's very positive. We look forward to working with the United Nations to help the process along, to add some international legitimacy to what the Iraqis think is necessary to move the process toward a new constitution and elections of people.

Ayatollah Sistani

Mr. Harb. From the outside, it looked like the Grand Ayatollah in Iraq, he's a religious man, he's calling for immediate elections, and we're kind of hesitant to do it right now. What's your reaction to that?

The President. Well, that's very interesting. No, I understanding completely. First of all, I admire the fact that he is confident enough in democracy to call for elections. I mean, after all, America believes in elections. I think the only hesitancy from the experts is whether or not the process is ready to absorb direct elections. And we want to work with Mr. Sistani, the Ayatollah. He's a wise man. He's a distinguished gentleman who cares deeply about the Iraqi people. And I'm confident we can work toward a solution that is in Iraq's interest and, at the same time, addresses his deep desire to have the people of Iraq participate in the process.

I think the fact that he's willing to be involved is a very positive development. It shows people care about the future of Iraq. We just must all work together to come up with an Iraqi solution as to how best to get a constitution written and then direct elections. The first step, of course, is a general law and then a temporary assembly of some kind to help—so we can hand over sovereignty. And then the process moves forward.

Syria

Mr. Harb. If we can move towards Syria.

The President. Sure.

Mr. Harb. You had a couple of phone calls with the Syrian President after September 11, and things looked, you know, that the President of Syria was going in the right direction, according to your administration. And then things went sour. What happened?

The President. Well, first of all, I think we made some legitimate requests. I said, "Look, Hezbollah is a terrorist organization. They headquartered in your country. You need to shut down those headquarters. You need to prevent terrorist activities from being planned and/or orders being—emanating out of Syria. Secondly, you've got to work on the border to make sure that the border between Iraq and Syria is not porous, but in fact, you are able to stop the flow of people and contraband and information back and forth. We don't want terrorists coming in from Syria into Iraq to kill innocent Iraqis and/or American troops." And it's very important for us to keep sending that message to him. That's why I appreciate doing this interview. The message still stands. And we would hope there would be a strong cooperation on these very reasonable points.

Mr. Harb. The Syrian President sent a couple of signals recently expressing his willingness to resume peace talks with Israel. Would you be willing—how do you assess this——

The President. It's very interesting. First of all, I'm interested in peace. And the fact that a party is willing to talk about peace is, I think, a positive signal. I look forward to understanding fully what that means. As you know, there was—some progress had been made prior to my arrival as President on Syrian-Israeli peace talks. And we've just got to understand the intent, the sincerity, and the

desire of both parties involved, that would be Syria and Israel.

Libya

Mr. Harb. Libya.

The President. Yes.

Mr. Harb. Although some people, maybe in Washington, and you may consider what happened with Libya as a success for diplomacy, but it did not sit well with the Libyans. It looks like it contradicts this forward strategy of freedom.

The President. How do you mean it didn't sit well with them? It sat well with Colonel Qadhafi because he made the decision.

Mr. Harb. But in terms of democracy, I mean, you know, Qadhafi is a dictator——

The President. Oh, whether or not democracy then follows—I see. Well, we hope it does, of course, and we look forward to working with him. But first things first. We had no relationship with Libya, and now the relationship can improve because he has made a very wise decision to disclose programs and dismantle those programs. To me, it's a signal that Colonel Qadhafi is interested in a peaceful—is interested in peace and a resumption of relations with a country like the United States, and that will begin to change the relationship.

Right now we want to make sure that we all fulfill our obligations. And a key obligation is for the United States and Great Britain and the IAEA to work with the Libyans to fully disclose and dismantle, in a transparent way, weapons programs.

Mr. Harb. Would it be safe to say that the United States would not fully normalize with Libya unless the human rights record of the Libyan Government were to improve——

The President. Well, obviously, there's a lot of conditionality in any relationship. We do want to improve relationships with Libya, but the first thing—the first step, of course, is for the Colonel to fulfill his commitment to the entire world, and that is to disclose and dismantle. And then the relationship will evolve.

Iran and Weapons of Mass Destruction

Mr. Harb. On the issue of weapons of mass destruction—Iran.

The President. Yes.

Mr. Harb. Libya is a case where diplomacy worked. Iraq is a place where——

The President. Diplomacy didn't work.

Mr. Harb. ——didn't work.

The President. Well, it didn't work. It was tried for 12 years, and it didn't work. And the world continually said, "Disarm," and he didn't do it. And finally, I went to the United Nations and said to the United Nations, "For your sake and for our sake—you, the United Nations' sake—for our sake, America, and for the world's sake, let us enforce these resolutions."

Mr. Harb. So we've got the Libyan model, and we've got the Iraqi model.

The President. Yes.

Mr. Harb. Which one would fit Iran today?

The President. All models must start with a strong effort by the world community to convince people to abandon—in this case, abandon programs, nuclear weapons programs. And we certainly hope the Iranian situation can be resolved diplomatically. I appreciate very much the fact that members of the European Community have spoken with one voice about the need for Iran * to fully disclose and disarm its weapons programs, and IAEA is very much involved.

So, in other words, we're now early in the stage, obviously, and it's a stage where I'm hopeful that diplomacy will work.

Iraq

Mr. Harb. You mentioned the international community. Are you satisfied with the way the international community is reacting towards the rebuilding of Iraq?

The President. Yes, I really am. I mean, gosh, there's a lot of countries that are very much involved in Iraq. The other night in the State of the Union, I began to read off the list. And the longer the list got, the more the American people begin to realize this is a truly internationalized effort. And people are contributing money. I mean, I was talking about forces on the ground, and the level of contributions are very generous, starting with the United States, I might add. And I'm most proud of the Congress for being willing

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* White House correction.

to help rebuild Iraq, because they understand, like I understand, that a free Iraq is going to be an agent of change in a positive way in the Middle East.

Again, I want to go back to where we began. See, if you didn't believe certain countries in the Middle East could be free, then you wouldn't be worried about rebuilding of a country. But I believe they can be free, and I know free societies are peaceful societies. And I believe in the Iraqi people of all walks of life, and I believe that they're going to show the world what is possible.

After all, the Iraqi people have such a—Iraqi history is so rich. The culture of Iraq is fantastic. And it's—I have visions of a university system that really leads the Middle East in education and on the forefront of science and engineering, because I know the Iraqi Americans who are here, very bright, capable, honorable people who have come to our country, realized the benefits of freedom, taken advantage of some fantastic opportunities, and made great citizens.

Well, the same thing is going to happen in Iraq. And that will cause others to say, "Well, gosh, if it's happening in Iraq, let's follow that model of a free society." And the American Congress understands that. I understand that, and a lot of people around the world understand it. And I am grateful for the contributions that people are willing to make for the reconstruction of Iraq.

Mr. Harb. Are you concerned that Iraq's neighbors may work to undermine the democracy because it doesn't suit the region?

The President. Well, it's an interesting question. I certainly hope not. But if—look, one of the neighbors to Iraq is Turkey. And they withstood any pressure, if there was any pressure, to undermine the development of a free and secular society. They still maintain its respect for Islam.

Pakistan is another country which is evolving, showing what is possible in terms of a free society and an active Parliament and, at the same time, honoring Islam.

No, I think a truly free society will resist foreign efforts to undermine the development of that society.

2004 Election/Future of the Middle East

Mr. Harb. Mr. President, this is an election year for you.

The President. Yes.

Mr. Harb. If, hypothetically, people in the Middle East could vote, would the next 4 years be—if you were to be elected—would be good for them?

The President. Oh, absolutely.

Mr. Harb. Why would they vote for you?

The President. Absolutely. Well, they'd vote for me because I am strong on the war on terror, for starters. I refuse to relent to terrorist groups. There's no negotiation with these people. These are people that are willing to kill people who are devout, religious people, and not care about it. They kill innocent women and children and not care about it. More Muslims have died at the hands of killers than—I say more Muslims—a lot of Muslims have died—I don't know the exact count—at Istanbul. Look at these different places around the world where there's been tremendous death and destruction because killers kill.

They would appreciate George W. in the future because I understand that freedom and prosperity go hand in hand. And a free society is more likely to be a prosperous society where people can realize their hopes and aspirations.

Listen, I'm a dad. I love my girls more than anything in life, our daughters. I know that other dads feel the same way about their children, and all they want is for their children to have a chance to succeed, to grow up in a peaceful society, to be well-educated and to realize their God-given potential. I share that dream.

I think the people of the Middle East will see that the Bush administration is unrelenting when it comes to dealing with the few who want to hurt the many but, at the same time, believes in the people of the Middle East, believes in their hopes and aspirations.

Mr. Harb. Thank you very much, Mr. President.

The President. Yes, sir.

NOTE: The interview was taped at 10:02 a.m. in the Map Room at the White House for later broadcast, and the transcript was released by the

Office of the Press Secretary on February 18. In his remarks, the President referred to Crown Prince Abdullah of Saudi Arabia; King Abdullah II of Jordan; King Mohamed VI of Morocco; former Prime Minister Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; Prime Minister Ariel Sharon of Israel; Chairman Yasser Arafat of the Palestinian Authority; former President Saddam Hussein of Iraq; Grand Ayatollah Ali al-Sistani, Iraqi Shiite leader; President Bashar al-Asad of Syria; and Col. Muammar Abu Minyar al-Qadhafi, leader of Libya. A tape was not available for verification of the content of this interview.

Letter to Congressional Leaders Transmitting a Report on Iraq

February 17, 2004

Dear Mr. Speaker: (Dear Mr. President:)

Consistent with the Authorization for Use of Military Force Against Iraq Resolution of 2002 (Public Law 107–243), the Authorization for the Use of Force Against Iraq Resolution (Public Law 102–1), and in order to keep the Congress fully informed, I am providing a report prepared by my Administration. This report includes matters relating to post-liberation Iraq under section 7 of the Iraq Liberation Act of 1998 (Public Law 105–338).

Sincerely,

George W. Bush

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. This letter was released by the Office of the Press Secretary on February 18. An original was not available for verification of the content of this letter.

Remarks Prior to Discussions With President Zine El Abidine Ben Ali of Tunisia and an Exchange With Reporters

February 18, 2004

President Bush. A couple statements, and I'm going to answer a couple of questions afterwards.

Mr. President, welcome. I'm glad you're here in the Oval Office. Thank you for your friendship. I'm looking forward to a good discussion.

I want to thank you for working with the United States in the war on terror. I want to thank you for your understanding for the need for Iraq to be democratic and free. I appreciate the fact that you've got an education system that is modern and viable, that women in your country are given equal rights. I look forward to talking to you about the need to have a press corps that is vibrant and free as well as an open political process. There's a lot we can talk about. Tunisia can help lead the greater Middle East to reform and freedom, something that I know is necessary for peace for the long term.

So welcome.

President Ben Ali. Mr. President, thank you for very much for this opportunity. I am delighted to be here in the United States, and thank you very much for your generous invitation.

As you know, the Tunisian-U.S. relationships have been always unique and ancient. They go back for two centuries. Mr. President, we also look forward to increasing and cementing those relationships between the two countries in all spheres and every area, in order to continue to support the friendship between the two peoples and between the two countries.

We share principles together, Mr. President, and that is the establishment of states on the basis of democracy, human rights, and combating terror. We believe that Tunisia is an ally of the United States and the relationships between the two countries has strategic dimension.

And I would like to take this opportunity to thank the friendly American people who stood by us during our liberation and after our independence. Thank you very much.

President Bush. A couple of questions. Scott [Scott Lindlaw, Associated Press].

Same-Sex Marriage

Q. Thanks, Mr. President. More than 3,000 same-sex couples have taken vows since San Francisco started issuing marriage licenses to gays and lesbians. This Massachusetts court ruling could result in the first legally recognized gay marriages in May. Do

these developments make you any more inclined to endorse a constitutional amendment banning gay marriage?

President Bush. I strongly believe that marriage should be defined as between a man and a woman. I am troubled by activist judges who are defining marriage. I have watched carefully what's happened in San Francisco, where licenses were being issued even though the law states otherwise. I have consistently stated that if—I'll support law to protect marriage between a man and a woman. And obviously these events are influencing my decision.

Q. Are you close to a decision?

President Bush. I'm watching very carefully. But I'm troubled by what I've seen. People need to be involved with this decision. Marriage ought to be defined by the people, not by the courts. And I'm watching it carefully.

Stevie [Steve Holland, Reuters].

National Economy

Q. Mr. President, do you think the economy is strong enough to produce 2.6 million jobs this year, as your economic report projected?

President Bush. I think the economy is growing, and I think it's going to get stronger. I do think there are some things we need to do. We need to make sure the tax cuts are permanent. I look forward to continuing to talk about this issue. Uncertainty in the Tax Code could affect small-business planning. Uncertainty in the Tax Code will make it harder for our citizens to make rational decisions about spending money. We need to have an energy policy, open up markets for trade. We need less regulation. We need tort reform. There are things we can do to make sure the economy grows.

I'm pleased by the fact that since August there's been 366,000 new jobs, in one survey. There was another survey called the Household Account that's been more optimistic. But I'm mindful there are still people looking for work, and we've got to continue building on the progress we've made so far.

NOTE: The President spoke at 11:32 a.m. in the Oval Office at the White House.

Remarks Following a Discussion on the National Economy

February 19, 2004

The President. Thanks for coming. I want to thank the folks who have joined me here on the stage. We've just had a chat about their personal circumstances, and I'll share some of their stories with you.

We were talking about our economy and the hopes of families, how to keep the entrepreneurial spirit strong in America. I hope I conveyed to them my sense of optimism about the future of the country. After all, I've seen firsthand what we've been through, and we've been through a lot. And in spite of that, our economy is strong, and it's getting stronger. There's still room for improvement.

Let me walk you through right quick of what these families and small-business owners and large business and CEOs have dealt with, what the country has dealt with in the last 3 years. First, the economy began to slow down in March of 2000. The stock market started to go down. That affected people's savings. And if you watch your savings accounts go down, it tends to have a negative effect on people's attitudes.

Then the country got into—went into a recession, early of 2001. Recession means that people's incomes, at the employer level, are going down, basically, relative to costs, people are getting laid off. It's a slowdown. It's a time of—it's a tough time for risktakers. It's a very tough time for workers. A lot of industries felt like they needed to lay off people, which created uncertainty.

And then on September the 11th, the country got attacked, a vicious attack by brutal killers that affected the Nation's psychology. It affected how I view the world, by the way. When we see gathering threats, the country now must take them very seriously. We can't let threats become imminent. We can't trust madmen with the security of the American people.

September the 11th attacks hurt the economy. We began to recover. I mean, this is a strong nation. The entrepreneurial spirit is really strong. You might remember the attitude after September the 11th: No terrorist is going to hold this country down or hold us back. I saw that spirit firsthand when I

went to New York shortly after the attacks. It was just such an uplifting experience in the midst of tragedy and horror, to see the will of the American people.

Then the economy got affected because some of our citizens forgot to tell the truth. They assumed positions of responsibility and behaved irresponsibly. Corporate CEOs didn't tell the truth to employees or shareholders, and that affected the economy. Capitalism is based upon trust, open books, honest accounting. And a lot of citizens were beginning to wonder what went on. Fortunately, we passed tough laws, and those who betrayed the trust are now paying the price for having done so. There needs to be serious consequences for people who are—don't tell the truth.

And then, as you know, I made the very difficult decision to deal with Saddam Hussein. It's the right decision. The country is more secure. The Iraqi people are free from the clutches of tyranny.

The march to war affected our economy. When you turn on your TV screen in the summer of 2002 and it says, "America's March to War," that's not very conducive for investment. Marching for war doesn't instill a lot of confidence in the future. It creates uncertainty. People who employ people don't like uncertainty. We need certainty in order to have a—to have risktakers feel comfortable about taking risk.

We've been through a lot. But we acted here in Washington. I led. I convinced the Congress to cut the taxes on the people, because I felt like, during this time of uncertainty and economic slowdown, if people had more of their own money, they would demand an additional good or a service. And in our marketplace, when that happens, a producer will produce that good or a service. And when that happens, the economy gets moving; somebody is more likely to find work. And that's what happened.

We cut the taxes on everybody who pays taxes. I don't think it makes sense for tax-cutters to say, "Okay, you win, and you lose." My attitude was, if you pay taxes, you ought to get relief. And we cut all taxes, and one of the important things about cutting all income taxes is we really affect the capacity of small businesses to grow, because many small businesses pay tax at the individual income tax level. A sole proprietor pays tax at the individual income tax. The Subchapter S pays tax at the individual income tax level. So when you cut all rates, you're not only affecting the purchasing power of families and individuals; you're affecting small-business capital formation. And it helped, and it worked. And at the same time, I asked Congress to increase the limit for deductibility of $100,000 from $25,000 to encourage capital investment in the small-business sector.

And why did I focus on small businesses, or why did the Congress focus with me on small business? And the answer is, most new jobs are created by small businesses in America. Some estimates say up to—and if you're interested in job creation, why not focus on the job creators? So the tax relief was passed not only to help individuals but to help our small-business sector. We also increased the child credit to $1,000. We reduced the marriage penalty. I like to remind people that the Tax Code ought to encourage marriage, not discourage marriage. [*Laughter*] Seems like we want people to stay married, and the Tax Code ought to encourage that.

We helped on dividend and capital gains to encourage investment and particularly to help the elderly. We put the death tax on its way to extinction. I'm going to talk a little bit about that in regards to one of our guests, but the death tax is a bad tax—bad tax.

Think about all the people who are starting their own businesses, who are working hard to realize the American Dream. They're preparing their estates to leave something to their—whoever they chose to, a son or a daughter. And it becomes awfully difficult to do so because the Government is taxing assets twice. They tax you when you earn. They tax you when you die, and it's a bad tax. It's bad for farmers. It's bad for ranchers. It is particularly bad for small-business owners. Fortunately, the Congress heard the call. We've still got a little issue to make sure it stays gone forever that I'll talk about here in a minute.

The tax relief we passed—111 million * taxpayers this year will save $1,586 * off their

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* White House correction.

taxes. That's a lot of money that will be in circulation as a result of individual decisionmaking. See, there's a fundamental debate here in Washington. It's who do you want spending money? Look, we need money here. There's plenty of money in Washington. We need money to fight the war and win the war on terror. We need money to protect the homeland. We need money to meet priorities, but I felt it was important to let people spend their own money. I think the collective decisionmaking of the American people with their own money is wiser than the decisionmaking of the Federal Government.

Twenty-five million small-business owners will receive an average cut of $3,000 this year. That's important. A lot of companies being started up in garages—it's kind of the American Dream, isn't it? I remember when my friend Michael Dell started his computer company in a garage. [*Laughter*] Who knows where the next Michael Dell will be, but perhaps this $3,000 will help that person achieve his or her dream about building their own company.

Nearly 5 million taxpayers will be off the rolls as a result of the tax relief this year. What's interesting is that the tax relief lowered rates, but the amount withheld from the paycheck was not adjusted until summertime last year. And so the Treasury Department estimates Americans will receive an additional $50 billion in higher refunds and lower tax payments when they file their taxes in April—April 15th of this year. That's positive news, to help keep this momentum, this economic momentum, alive and well.

Tax relief is working. Factory orders are up. Housing is strong. Unemployment rate is down from 6.3 percent last June to 5.6 percent in January. Things are positive.

But there's more that Congress should do to keep the momentum alive. One, we need an energy plan. If you're a manufacturer, you need reliable sources of energy. I've talked to a lot of small manufacturers who explained what it means to have their power disrupted as a result of an antiquated electricity grid. Unreliable supplies of energy creates uncertainty for price. There needs to be certainty. We need an energy plan. Congress needs to get me a bill. They need to stop talking. They need to get a bill to my desk.

We need tort reform. Too many small businesses are—like you, I'm concerned about the cost of providing decent medical care to your employees and yourselves. Medical costs are up. Some practical things we can do—health savings accounts are a very practical way for small-business owners and employees to deal with increasing costs. I urge you to look at those.

Associated health care plans are vital for small-business owners and small-business plans. Medical liability reform at the national level will help control health care costs. It's stuck in the Senate, of course. There's some special interests here in Washington that simply are not interested in seeing reasonable medical liability law passed. There are very powerful interests here in Washington that prevent the kinds of laws to pass that will help control costs. And I'm going to continue working, and I think it's an important issue—I know it's an important issue for small-business owners and employees.

We need to continue to open up markets. Our markets are relatively open compared to the rest of the world, and if our markets are open, let's open up other markets so people can sell. We're good at things. We ought to be selling them to other people around the world. There needs to be free trade, and there needs to be a level playing field when we trade. There needs to be less regulation in Washington, DC.

But one thing's for certain, is we need to make the tax cuts permanent. Interestingly enough—I don't know if you're aware of this, but all the tax cuts we passed are set to expire. But the Congress giveth; the Congress taketh away. [*Laughter*]

And these tax relief will be—will expire on an irregular basis. In other words, they don't all expire at the same time. For example, this coming year, the child credit—the tax relief we put in the child credit goes away. The penalty in the marriage penalty gets worse. And the expanded 10 percent bracket will go away. See, if Congress doesn't do anything, there will be tax increases on the American people. That's what that means. When you hear, "We're going to repeal the Bush tax cuts," that means tax increases.

That's what that is. "I'm going to raise your taxes," is what they're saying.

There's a philosophical difference here. Who would you rather spending your money, you or the Federal Government? And that's the debate I look forward to taking across the country.

Raising taxes at this point will hurt our economy. When the economy is coming out of recession, it's beginning to grow. It makes no sense to raise the taxes on the people. If the Congress doesn't act, the tax relief would be an increase of about $28 billion on the American people for the year 2005. That's $28 billion going into the U.S. Treasury out of your pockets—be reducing demand by that amount, be taking capital out of small-business coffers if that happens.

That's part of the debate. "Let's raise your taxes so we have more money to spend on programs in Washington, DC." That's the debate, and I believe strongly that the tax relief needs to be permanent. You see—listen to this story, if you're a family of four earning $40,000, when those provisions expire in 2005, it'll be a $915 tax increase for that family. That's a lot of money for a family making $40,000. The small-business deductions expire in '06. These have been really effective. Congress needs to make them permanent.

And so I talked to some folks up here today about what tax relief has meant to them. And maybe the best way I can make my point to the tax-raisers and spenders here in Washington is to listen to the stories of people like Amy Cofer. She is a mom of two, soon to be a mom of three. Amy is right there. Joe is a police officer. Joe is out there dedicating his life to the protection of our fellow citizens. They saved $1,700 in taxes in '03.

That probably doesn't sound like a lot when you're up here, when you're dealing with a lot of zeroes behind the numbers. It's a lot for that family, though. She talked about paying her son's preschool tuition with that. She made a choice to send her son to a school that she thought was good. That's a whole other subject, by the way—parents being —[*laughter*]—but it helped pay for her son's tuition. The money meant something to them. It made life easier by being—that money, to help pay for the preschool tuition. It took pressure off of their bill paying. If Congress doesn't act, there will be a $1,000 tax increase on this family. It's a new family, a new child coming, doesn't make sense to have this family pay a thousand dollars. See, Congress has got to make the tax cuts permanent. It helps families like the Cofers.

Katie Powers is here as well. Katie and—there she is—Katie and David have two children, Nicholas and Allison. They had tax relief of $3,500. The tax burden will go up by $2,000 if they doesn't make the tax cuts permanent. When you hear people say, "Let's just let the tax cuts expire," that's a tax increase. It's a code word for, "I'm raising your taxes to increase the amount of money we have to spend here in Washington on new programs, on programs that meet a particular political desire of the appropriators." That's what they're telling you.

Shemetra Washington—Shemetra is a—started a new job this month, by the way, at New Technology Management in Virginia. [*Laughter*]

Audience member. Yea! [*Laughter*]

The President. About time you hired her. [*Laughter*] She's got the toughest job in America. She's a single mom. She's raising Raegan and Lauryn. She is going to grad school, a human resource person who's going to get a master's degree. She's been taking—she's working, raising her family, and going to grad school to upgrade her skills so she can make more money. She got a tax cut of $1,700 in 2003. She said it went to help pay for her education, helped her upgrade her skills so she becomes a more productive person, which means she'll get better pay as time goes on.

Again, if they don't make the tax cuts permanent, she has to pay $1,000 more in taxes. I don't think we want Shemetra paying $1,000 more in taxes—[*laughter*]—when she's struggling with her family, raising that family.

See, there's a human dimension to all the talk about numbers, and it's important for the people here in Washington to think about the people whose lives will be affected if they don't act—they don't act—they don't act to make it easier for families to raise their children and to realize their dreams.

Guy Donaldson is with us. He's got an interesting story. He is a fruit orchard man out

of Pennsylvania, apples, cherries, and peaches. [*Laughter*] I was lobbying for some of them to be sent over here for breakfast. [*Laughter*] See, he is—he, by the way, is a partnership, so his entity is taxed at the individual income tax rate level. But he's more concerned about the death tax. His dream is to keep this farm in his family. It's been in his family now for the fourth generation. That's part of his dream. That's what he has decided that he would like to do with his assets, and he wants to leave the orchard to his kids.

I said, "Are they here today?" He said, "No, they're pruning trees." [*Laughter*] But the problem is, is that when you're asset-heavy in your small business or on your farm, it's really hard to leave it to your—the death tax makes it nearly impossible to leave to a family without having to mortgage the future so heavily or to sell off parts of the farm in order to pay the Government again.

The death tax is an unfair tax to farmers and ranchers and small-business people. The Congress put it on its way to extinction. However, it comes back to life in 2011. It's hard to explain the rules of the Senate that allow that to happen, but it does. It just doesn't make sense. It doesn't make sense, as Guy was talking about, for him to have such uncertainty about an asset he loves and uncertainty about his family. And yet because Congress won't act, there is uncertainty. And that's not right, and it's not fair. They need to put the stake in the heart of the death tax forever, and get rid of it.

Rex Hammock is with us—last stander—from Nashville, Tennessee. He started his own company. I love the entrepreneurial spirit. Don't you love to be in a country where people feel comfortable about—where people feel comfortable and free to start their own business? And by the way, Government's role is to create an environment where the entrepreneurial spirit is strong, where people feel free and comfortable doing that.

And he did, and he's got what is called a Subchapter S corporation. Many of you know what that means, but for those who don't, it means that you get taxed at the individual income tax level. So when we cut the rates on everybody, not just a few, it helped Rex, made him a little more comfortable in his ability to plan.

But more importantly, by raising the level of deductibility for small businesses to $100,000, it provided incentive for him to invest. And so this year, he told me, he's going to spend $100,000 on computers, scanners, and software to help his employees in his publishing business become more productive. It means they're more competitive. When you're more competitive, you've got a more productive workforce, and when you're competitive, it means you're more likely to stay in business. And it means you're more likely—your workforce is more likely to have steady work. And if you really get productive and can compete, it means you add employees. And he added two last year, and he plans on adding five this year.

Now, there's a lot of Rexes in the country, and you put two on here and five on there, and all of a sudden, there's a lot of people beginning to find jobs. And that's important. That's how jobs grow, through the individual decisionmaking of thousands of entrepreneurs and employers around the country.

He wants to invest in '05 and '06, same amounts. But as I told you, this aspect of the tax relief package will expire unless Congress acts. He said it's really hard—and he's right, by the way—really hard to be a planner with—in the face of tax uncertainty. How can you plan if you're not certain about what the Tax Code looks like? And there are entrepreneurs all over the country who are uncertain about what the Tax Code will look like after '06 because the tax relief plan has got uncertainties built into it. And an important aspect of the tax relief plan is the deductibility for small businesses. Then it goes away. Congress needs to make all aspects of the Tax Code permanent so people can plan their businesses and their lives.

And so it's time for them to step up on Capitol Hill. I'm ready to continue to lead on tax relief. They need to follow. They need to listen to the voices, not just of me but of the people here on the stage. It's a time for action. It's a time to make the tax relief permanent. It's a time to listen to the voices of the hard-working families in America. It's a time to listen to the entrepreneurs of this country. It's a time to keep this recovery

strong by doing what's right with the Tax Code.

I want to thank you all for coming today to give me a chance to spell out a practical way to make life a more hopeful place for America and small-business owners. Congress needs to act.

Thanks for coming.

NOTE: The President spoke at 3:09 p.m. in Room 450 in the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to former President Saddam Hussein of Iraq; Amy Cofer, homemaker, and her husband, Joe, U.S. Supreme Court police officer; Katie Powers, senior staff accountant, and Shemetra Washington, human resource administrator, New Technology Management, Inc.; Guy Donaldson, fruit grower, Orrtanna, PA; and Rex Hammock, president, Hammock Publishing.

Letter to Congressional Leaders Transmitting a Report Relating to the Interdiction of Aircraft Engaged in Illicit Drug Trafficking

February 19, 2004

Dear Mr. Speaker: (Dear Mr. President:)

Consistent with the authorities relating to official immunity in the interdiction of aircraft engaged in illicit drug trafficking, (Public Law 107–108, 22 U.S.C. 2291–4), and in order to keep the Congress fully informed, I am providing a report prepared by my Administration. This report includes matters relating to the interdiction of aircraft engaged in illicit drug trafficking.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. This letter was released by the Office of the Press Secretary on February 20.

Statement on the Appointment of William H. Pryor, Jr., To Serve on the United States Court of Appeals for the Eleventh Circuit

February 20, 2004

Today I exercised my constitutional authority to appoint William H. Pryor, Jr., to serve on the United States Court of Appeals for the Eleventh Circuit. Bill Pryor has served as the attorney general of Alabama since 1997 and has had a distinguished career as a public servant and practicing attorney. His impressive record demonstrates his devotion to the rule of law and to treating all people equally under the law. He has received widespread bipartisan support from those who know him and know his record. I am proud to name this leading American lawyer to the appellate bench.

Attorney General Pryor was nominated more than 10 months ago but still has not received an up-or-down vote in the Senate. A bipartisan majority of Senators supports his confirmation. If Attorney General Pryor were given a vote on the floor of the Senate, he would be confirmed. But a minority of Democratic Senators has been using unprecedented obstructionist tactics to prevent him and other qualified nominees from receiving up-or-down votes. Their tactics are inconsistent with the Senate's constitutional responsibility and are hurting our judicial system.

As a result of today's recess appointment, Attorney General Pryor will fill a seat on the Eleventh Circuit that has been designated a judicial emergency. He will perform a valuable service on a court that needs more judges to do its work with the efficiency the American people deserve and expect. Again I call on those in the Senate who are playing politics with the American judicial system to stop so that my nominees receive the up-or-down votes they deserve.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

February 14

In the morning, the President had an intelligence briefing.

February 15

In the morning, the President and Mrs. Bush traveled to Daytona Beach, FL, arriving in the afternoon.

Later in the afternoon, at Daytona International Speedway, the President and Mrs. Bush attended the Daytona 500 NASCAR race. Prior to the race, the President participated in an interview with Bill Weber of NBC Sports. During the race, he participated in a radio interview with the Motor Racing Network.

Later in the afternoon, the President and Mrs. Bush traveled to Tampa, FL. Later, he had a telephone conversation with NASCAR driver Dale Earnhardt, Jr., to congratulate him on winning the Daytona 500.

February 16

In the morning, the President had an intelligence briefing. Later, he and Mrs. Bush participated in a tour of NuAir Manufacturing.

Later in the morning, the President and Mrs. Bush returned to Washington, DC.

February 17

In the morning, the President had an intelligence briefing. Later, he traveled to Fort Polk, LA, where, upon arrival, he greeted USA Freedom Corps volunteer Marguerite Nobles.

In the afternoon, the President had lunch with National Guardsmen from the 39th Brigade Combat Team. Later, he met with families of soldiers killed in Iraq.

In the evening, the President returned to Washington, DC.

February 18

In the morning, the President had an intelligence briefing. Later, in the Roosevelt Room, he met with leaders of the Roman Catholic community.

In the afternoon, in the Old Family Dining Room, the President had lunch with President Zine El Abidine Ben Ali of Tunisia, following their meeting in the Oval Office.

February 19

In the morning, the President had a telephone conversation with President Roh Moo-hyun of South Korea to express his appreciation for the Korean National Assembly's approval of the dispatch of additional troops to Iraq.

Later in the morning, the President had an intelligence briefing. Later, he met with Secretary of State Colin L. Powell.

In the afternoon, in the Dwight D. Eisenhower Executive Office Building, the President participated in a roundtable discussion with taxpayers.

The President declared a major disaster in Oregon and ordered Federal aid to supplement State and local recovery efforts in the areas struck by severe winter storms December 26, 2003, through January 14, 2004.

February 20

In the morning, the President had an intelligence briefing. Later, he met with Mark B. McClellan to discuss his intention to nominate Mr. McClellan to be Administrator of the Centers for Medicare & Medicaid Services.

Later in the morning, via computer from the Oval Office, the President started the new printing presses for the Buffalo News.

The White House announced that the President will welcome President Mikheil Saakashvili of Georgia to the White House on February 25.

The President announced his intention to nominate Mark B. McClellan to be the Administrator of the Centers for Medicare & Medicaid Services.

The President announced his intention to nominate Paul V. Applegarth to be chief executive officer of the Millennium Challenge Corporation.

The President announced his intention to nominate John Campbell to be Ambassador to Nigeria.

The President announced his intention to appoint John W. McCarter, Jr., as a member of the Cultural Property Advisory Committee (museum representative).

The President announced his intention to appoint LaSalle Doheny Leffall, Jr., as a member of the President's Cancer Panel.

Nominations Submitted to the Senate

NOTE: No nominations were submitted to the Senate during the period covered by this issue.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released February 17

Transcript of a press gaggle by Press Secretary Scott McClellan

Released February 18

Transcript of a press briefing by Press Secretary Scott McClellan

Statement by the Press Secretary on the President's meeting with President Zine El Abidine Ben Ali of Tunisia

Released February 19

Transcript of a press briefing by Press Secretary Scott McClellan

Statement by the Press Secretary on disaster assistance to Oregon

Fact sheet: President Bush Urges Congress To Make Tax Cuts Permanent

Released February 20

Transcript of a press briefing by Press Secretary Scott McClellan

Statement by the Press Secretary: Visit by President Saakashvili of Georgia to Washington

Acts Approved by the President

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.

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